GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3824
ANSWERED ON:13.12.2001
POWER TARIFF IN THE COUNTRY
CHANDRA VIJAY SINGH;SADASHIVRAO DADOBA MANDLIK;UTTAMRAO DEORAO PATIL

Will the Minister of POWER be pleased to state:

(a) whether power tariff in India is higher as compared with other developing nations of South Asia and China;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps taken by the Government to make our industrial power rates comparable at par with the other developing countries?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Average tariff paid by industrial consumers in India is higher as compared to other developing nations of South Asia and China while average tariff paid by domestic consumers is lower in India as compared to most of the countries. In India, an average consumer pay a tariff higher than the cost of supply to cross subsidize domestic and agricultural consumers, who pay tariff below the cost of supply.

(c) : Government of India enacted the Electricity Regulatory Commissions Act, 1998. According to the provisions of this Act, one of the guiding principles for the State Commissions while determining tariff is that the tariff progressively reflects the cost of supply of electricity at an adequate and improving level of efficiency. It also provides that if a state government requires the grant of any subsidy to any consumer or class of consumers, the State Government shall pay the amount to compensate the person affected by the grant of subsidy in the manner the regulatory commission may direct.